

From: James Tecce
Sent: Friday, December 26, 2008 10:02 AM
To: Lindsee GRANFIELD; jschiller@bsflip.com; shirshon@proskauer.com
Cc: Susheel Kirpalani; Eric Kay
Subject: Lehman Brothers -- Barclays Transaction -- Information Requests
Attachments: Letter to Barclays, DTC re Documents.pdf

Lindsee/Jonathan/Sheldon:

Attached please find a letter setting for the Committee's current information requests relating to the transaction. These are largely the same requests we sent through Hal Novikoff over last weekend, albeit with some minor changes (including changes that attempt to address Barclays' concerns over scope which we discussed on Monday prior to the hearing).

Thank you and Happy Holidays.

James C. Tecce
Quinn Emanuel Urquhart Oliver & Hedges, LLP
51 Madison Avenue, 22nd Floor
New York, NY 10010
Direct: (212) 849-7199
Main Phone: (212) 849-7000
Main Fax: (212) 849-7100
E-mail: jamestecce@quinnmanuel.com
Web: www.quinnmanuel.com

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quinn emanuel trial lawyers | new york

51 Madison Avenue, 22nd Floor, New York, New York 10010 | TEL: (212) 849-7000 FAX: (212) 849-7100

WRITER'S INTERNET ADDRESS
jamestecce@quinnmanuel.com

December 26, 2008

VIA ELECTRONIC AND U.S. MAIL

Lindsee P. Granfield, Esq.
Cleary, Gottlieb, Steen & Hamilton LLP
One Liberty Plaza
New York, New York 10006

Sheldon I. Hirshon, Esq.
Proskauer Rose
1585 Broadway
New York, New York 10036

Jonathan D. Schiller, Esq.
Boies, Schiller & Flexner LLP
5301 Wisconsin Ave. NW
Washington, DC 20015

Re: **In re Lehman Brothers Holdings Inc., et al., Case No. 08-13555 (JMP)**

Dear Ms. Granfield, Mr. Schiller and Mr. Hirshon:

We are special counsel to the Official Committee of Unsecured Creditors (the "Committee") appointed in the above-captioned chapter 11 cases of Lehman Brothers Holdings Inc. ("LBHI") and its affiliated debtors and debtors in possession. We are writing in furtherance of the Committee's requests for final reconciliations of the sale transaction among LBHI, Lehman Brothers Inc. ("LBI") and LB 745 LLC, on the one hand, and Barclays Capital Inc. ("Barclays"), on the other hand (the "Sale Transaction"). In connection with the Committee's review of the Sale Transaction, the Committee requests that each of Barclays and the Depository Trust Corporation the ("DTC") provide it with the following documents:

[a] flow of funds and sources and uses memoranda and bank account confirmations for all cash and securities transferred to Barclays in connection with the Sale Transaction between September 18, 2008 and September 22, 2008;

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[b] with respect to all securities transferred to Barclays in connection with the Sale Transaction (the "Transferred Securities"), three schedules of the mark-to-market valuations on a security-by-security basis (with supporting documentation) (the "Valuations") determined or prepared on or about (1) September 16, 2008 (i.e., in connection with the Purchase Agreement), (2) September 19, 2008 (i.e., in connection with the Sale Hearing) and (3) September 22, 2008 (i.e., in connection with the closing); provided that the Valuations were either (x) communicated by Barclays to LBHI, LBI or the Committee, (y) considered by Barclays in preparing the Valuations communicated to LBHI, LBI or the Committee or (z) determined or prepared by employees of LBHI or LBI that were employed by Barclays at any time after the Sale Transaction closing; for purposes of this request, Transferred Securities include securities collateralizing liabilities that were extinguished (and hence were not physically transferred);

[c] a schedule of the specific liabilities assumed by Barclays or extinguished in the Sale Transaction, including, without limitation, cure payments made by counterparties;

[d] with respect to residential real estate mortgage securities ("RESIs"): (1) three schedules listing the RESIs that were intended to be transferred to Barclays or pledged as collateral for the DTC -- whether such RESIs actually were transferred or pledged -- as of the following dates, on or about (A) September 16, 2008 (if any), (B) September 19, 2008 (i.e., the allegedly \$6 billion of such securities discussed during the Sale Hearing that purportedly were the subject of the First Amendment to the Purchase Agreement) and (C) September 22, 2008; (2) documents showing the disposition of the RESIs in connection with the Sale Transaction, including any that were returned to LBI or retained by Barclays; and (3) documents showing the obligations allegedly owing from LBI to the DTC (if any) during the period from September 18, 2008 through September 22, 2008;

[e] cash and suspense account reconciliations relating to the Transferred Securities as of September 16, 2008;

[f] (1) a schedule of the Transferred Securities retained by JPMorgan Chase Bank, N.A. and later liquidated, i.e., that were not returned in connection with the recently approved Settlement Motion, and (2) the exhibits to the Settlement Motion listing the "Settlement Securities" that were filed under seal; and

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[g] final appraisals (dated on or about September 22, 2008) of real estate transferred to Barclays in connection with the Sale Transaction.

Consistent with the Court's suggestion that the parties reach an agreement on sharing information without its intervention, we propose a "meet and confer" among Barclays, the DTC and the Committee's financial advisor, Houlihan Lokey Howard & Zukin, during the week of January 5, 2009, so that such documents can be produced to the Committee on or before January 19, 2009. Please advise of your respective client's availability at your first convenience.

The requests in this letter are without waiver of any and all of the Committee's rights, which are reserved expressly. We appreciate your consideration of this matter.

Sincerely,

/s/ James C. Tecce

James C. Tecce

cc: Susheel Kirpalani, Esq.